

Major ILEC Revenue/Cost Comparison

Comparison of Local Service Revenues (Accounts 5001-5060 and 5081)

ST	Holding Company	Local Service Revenue	EUCL Revenue	HAI Estimate of Total Cost	Negative Difference	Positive Difference
AL	Bell South	729,913	87,364	518,118		299,159
AL	GTE Corporation	92,271	11,485	118,701	-14,945	
AR	Southwestern Bell Corporation	296,108	43,595	241,806		97,897
AZ	US West	777,225	119,659	478,902		417,982
CA	GTE Corporation	1,353,138	189,642	691,964		850,816
CA	Southwestern Bell Corporation	3,990,669	690,507	2,556,334		2,124,842
CO	US West	840,612	120,939	538,676		422,875
CT	Southern New England Telephone	642,407	100,209	465,548		277,068
DC	Bell Atlantic	300,548	26,105	123,491		203,162
DE	Bell Atlantic	132,937	24,193	101,117		56,013
FL	Bell South	1,880,700	283,111	1,040,110		1,123,701
FL	GTE Corporation	615,646	94,026	374,354		335,318
GA	Bell South	1,581,513	183,917	815,146		950,284
HI	GTE Corporation	240,376	33,279	142,388		131,267
IA	GTE Corporation	25,507	5,212	57,462	-26,743	
IA	US West	272,236	47,819	231,612		88,443
ID	GTE Corporation	32,022	4,942	42,977	-6,013	
ID	US West	128,990	23,361	121,218		31,133
IL	Ameritech	2,113,447	262,830	1,096,392		1,279,885
IL	GTE Corporation	221,367	35,367	282,026	-25,292	
IN	Ameritech	638,236	87,540	407,260		318,516
IN	GTE Corporation	253,426	39,192	244,563		48,055
KS	Southwestern Bell Corporation	366,180	61,795	311,996		115,979
KY	Bell South	419,796	53,935	301,377		172,354
KY	GTE Corporation	135,404	17,435	109,136		43,703
LA	Bell South	842,792	104,691	521,254		426,229
MA	Bell Atlantic	1,406,237	204,275	761,916		848,596
MD	Bell Atlantic	1,143,512	166,865	666,071		644,306
ME	Bell Atlantic	158,124	28,963	191,507	-4,420	
MI	Ameritech	1,408,068	232,678	969,241		671,505
MI	GTE Corporation	164,411	29,606	219,697	-25,680	
MN	GTE Corporation	62,811	10,099	68,762		4,148
MN	US West	697,162	105,878	464,922		338,118
MO	GTE Corporation	65,889	15,771	152,127	-70,468	
MO	Southwestern Bell Corporation	807,298	115,566	529,686		393,178
MS	Bell South	522,200	56,318	426,211		152,307
MT	US West	102,159	17,012	98,250		20,921
NC	Bell South	805,596	107,415	492,369		420,642
NC	GTE Corporation	103,426	13,990	89,347		28,069
ND	US West	72,839	13,537	65,022		21,354
NE	US West	185,113	25,750	164,092		46,771
NH	Bell Atlantic	208,350	35,136	180,904		62,582
NJ	Bell Atlantic	1,310,170	272,227	932,677		649,720
NM	US West	276,344	37,599	186,761		127,182

Major ILEC Revenue/Cost Comparison

Comparison of Local Service Revenues (Accounts 5001-5060 and 5081)

ST	Holding Company	Local Service Revenue	EUCL Revenue	HAI Estimate of Total Cost	Negative Difference	Positive Difference
NV	Southwestern Bell Corporation	79,200	14,527	83,885		9,842
NY	Bell Atlantic	4,745,976	536,809	1,928,456		3,354,329
OH	Ameritech	1,315,540	176,662	700,090		792,112
OH	GTE Corporation	229,164	35,904	253,130		11,938
OK	GTE Corporation	29,427	4,832	34,916	-657	
OK	Southwestern Bell Corporation	480,374	73,892	413,686		140,580
OR	GTE Corporation	140,514	19,150	101,340		58,324
OR	US West	370,306	63,727	271,099		162,934
PA	Bell Atlantic	1,562,731	23,171	1,137,827		448,075
PA	GTE Corporation	122,780	276,894	122,725		276,949
RI	Bell Atlantic	192,076	28,477	116,010		104,543
SC	Bell South	539,811	63,712	327,605		275,918
SC	GTE Corporation	59,632	7,832	46,540		20,924
SD	US West	83,885	14,132	75,700		22,317
TN	Bell South	920,003	120,375	624,897		415,481
TX	GTE Corporation	515,700	80,441	531,753		64,388
TX	Southwestern Bell Corporation	2,768,561	434,330	1,716,170		1,486,721
UT	US West	277,136	50,910	199,851		128,195
VA	Bell Atlantic	1,031,271	22,417	652,875		400,813
VA	GTE Corporation	136,773	164,707	139,946		161,535
VT	Bell Atlantic	114,071	14,771	97,052		31,790
WA	GTE Corporation	208,451	30,773	143,873		95,351
WA	US West	615,875	116,301	443,319		288,857
WI	Ameritech	611,388	90,540	372,003		329,925
WI	GTE Corporation	128,496	20,433	167,836	-18,907	
WV	Bell Atlantic	304,340	37,169	272,427		69,082
WY	US West	73,409	11,628	82,137		2,900
		46,080,065	6,775,351	29,650,638	-193,125	23,397,903

Subsidies Comparison Using Study Area and Wire Center Evaluations
Results from HAI 5.0a

ST	Subsidy at Study Area Evaluation			Subsidy at Wire Center Evaluation		
	Major	Nonmajor	Total	Major	Nonmajor	Total
AK	\$0	\$0	\$0	\$0	\$370,261	\$370,261
AL	\$4,368,703	\$0	\$4,368,703	\$18,052,298	\$0	\$18,052,298
AR	\$0	\$0	\$0	\$6,180,704	\$0	\$6,180,704
AZ	\$0	\$0	\$0	\$6,852,805	\$0	\$6,852,805
CA	\$0	\$0	\$0	\$18,175,265	\$0	\$18,175,265
CO	\$0	\$0	\$0	\$10,366,722	\$0	\$10,366,722
CT	\$0	\$0	\$0	\$1,288,293	\$0	\$1,288,293
DC	\$0	\$0	\$0	\$0	\$0	\$0
DE	\$0	\$0	\$0	\$612,929	\$0	\$612,929
FL	\$0	\$0	\$0	\$4,827,116	\$5,825,364	\$10,652,480
GA	\$0	\$323,398	\$323,398	\$7,142,538	\$3,591,112	\$10,733,650
HI	\$0	\$0	\$0	\$3,366,585	\$0	\$3,366,585
IA	\$2,675,513	\$0	\$2,675,513	\$7,593,613	\$0	\$7,593,613
ID	\$0	\$0	\$0	\$5,790,883	\$0	\$5,790,883
IL	\$1,770,251	\$0	\$1,770,251	\$18,098,810	\$1,038,992	\$19,137,802
IN	\$883,593	\$87,339	\$970,931	\$9,665,601	\$3,235,135	\$12,900,736
KS	\$0	\$0	\$0	\$7,939,711	\$0	\$7,939,711
KY	\$0	\$0	\$0	\$10,391,239	\$1,209,527	\$11,600,766
LA	\$0	\$0	\$0	\$11,571,521	\$0	\$11,571,521
MA	\$0	\$0	\$0	\$1,954,268	\$0	\$1,954,268
MD	\$0	\$0	\$0	\$4,195,029	\$0	\$4,195,029
ME	\$0	\$0	\$0	\$6,293,631	\$0	\$6,293,631
MI	\$0	\$0	\$0	\$11,853,398	\$0	\$11,853,398
MN	\$4,823,369	\$157,005	\$4,980,374	\$14,732,869	\$3,961,343	\$18,694,212
MO	\$5,011,330	\$1,124,382	\$6,135,713	\$23,400,373	\$5,021,512	\$28,421,885
MS	\$0	\$0	\$0	\$19,783,361	\$0	\$19,783,361
MT	\$0	\$0	\$0	\$4,540,988	\$0	\$4,540,988
NC	\$817,805	\$1,483,108	\$2,300,913	\$5,594,825	\$18,501,560	\$24,096,385
ND	\$0	\$0	\$0	\$2,587,638	\$0	\$2,587,638
NE	\$0	\$0	\$0	\$7,248,922	\$6,058,956	\$13,307,878
NH	\$0	\$0	\$0	\$3,791,703	\$0	\$3,791,703
NJ	\$0	\$0	\$0	\$378,491	\$148,249	\$526,740
NM	\$0	\$0	\$0	\$4,599,421	\$0	\$4,599,421
NV	\$0	\$0	\$0	\$5,268,922	\$816,611	\$6,085,533
NY	\$0	\$3,470,702	\$3,470,702	\$17,287,913	\$8,173,696	\$25,461,608
OH	\$0	\$0	\$0	\$9,484,941	\$7,151,768	\$16,636,709
OK	\$0	\$0	\$0	\$13,364,965	\$0	\$13,364,965
OR	\$0	\$0	\$0	\$5,757,913	\$0	\$5,757,913
PA	\$0	\$1,009,215	\$1,009,215	\$10,778,164	\$10,832,067	\$21,610,231
PR	\$0	\$0	\$0	\$0	\$269,524	\$269,524
RI	\$0	\$0	\$0	\$183,852	\$0	\$183,852
SC	\$0	\$0	\$0	\$3,736,375	\$0	\$3,736,375
SD	\$0	\$0	\$0	\$3,024,949	\$0	\$3,024,949
TN	\$0	\$0	\$0	\$9,011,338	\$762,401	\$9,773,739
TX	\$7,200,195	\$2,618,533	\$9,818,727	\$45,178,529	\$5,545,847	\$50,724,376
UT	\$0	\$0	\$0	\$2,857,521	\$0	\$2,857,521
VA	\$0	\$2,263,088	\$2,263,088	\$15,595,579	\$7,821,296	\$23,416,875
VT	\$0	\$0	\$0	\$3,616,929	\$0	\$3,616,929
WA	\$0	\$3,701,708	\$3,701,708	\$6,414,530	\$5,508,186	\$11,922,717
WI	\$0	\$0	\$0	\$7,088,434	\$0	\$7,088,434
WV	\$0	\$0	\$0	\$12,014,973	\$0	\$12,014,973
WY	\$0	\$0	\$0	\$3,258,127	\$0	\$3,258,127
	<u>\$27,550,759</u>	<u>\$16,238,477</u>	<u>\$43,789,236</u>	<u>\$432,795,507</u>	<u>\$95,843,406</u>	<u>\$528,638,913</u>

Comparison of Alternative Methodologies under FCC's Hold Harmless Approach

	1998 Fund	FCC Plan 25/75		Majority Member		IHCAP		Ad Hoc	TIAP 1 40/60		TIAP 2 Zone 1	TIAP 3&4 100%	
	\$B	WC \$B	SA \$B	WC \$B	SA \$B	WC \$B	SA \$B	\$B	WC \$B	SA \$B	\$B	WC \$B	SA \$B
Major Non-Rural	.11	.45	.13	1.00	.43	.98	.13	NA	.70	.14	.94	1.73	.20
Non-Major Non-Rural	.23	.29	.23	.40	.36	.38	.23	NA	.34	.24	.29	.54	.25
Total Non-Rural ¹	.34	.74	.36	1.39	.79	1.36	.36	NA	1.04	.37	1.23	2.27	.45
Rural ²	1.38	1.38	1.38	1.38	1.38	1.38	1.38	NA	1.38	1.38	1.38	1.38	1.38
Total	1.72	2.12	1.74	2.77	2.17	2.74	1.74	2.36 ³	2.42	1.75	2.61	3.66	1.83

¹ Reflects the larger payment between the current fund and the optional fund by company by state.

² Rural carriers do not transition to new methodology until January 1, 2001

³ Ad Hoc estimate does not include any LTS payments, or USF and DEM support for Micronesia, Puerto Rico and Virgin Islands.

CERTIFICATE OF SERVICE

I, James P. Young, do hereby certify that on this 15th day of May, 1998, I caused a copy of the foregoing AT&T Comments on Proposed Methods of Determining High Cost Support to be served upon each of the parties listed on the attached service list by U.S. First Class mail postage prepaid.

/s/ James P/ Young

James P. Young

Service List

The Honorable Susan Ness, Chair,
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, DC 20554

The Honorable Harold Furchtgott-Roth,
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, DC 20554

The Honorable Gloria Tristani,
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, DC 20554

The Honorable Julia Johnson, State
Chair, Chairman
Florida Public Service Commission
2540 Shumard Oak Blvd.
Gerald Gunter Building
Tallahassee, FL 32399-0850

The Honorable David Baker, Commissioner
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334-5701

The Honorable Laska Schoenfelder,
Commissioner
South Dakota Public Utilities Commission
State Capitol, 500 East Capitol Street
Pierre, SD 57501-5070

Ann Dean
Maryland Public Service Commission
16th Floor, 6 Saint Paul Street
Baltimore, MD 21202-6806

Irene Flannery, Federal Staff Chair
Federal Communications Commission
Accounting and Audits Division
Universal Service Branch
2100 M Street, N.W., Room 8922
Washington, DC 20554

Paul Gallant
Federal Communications Commission
Commissioner Tristani's Office
1919 M Street, N.W., Room 826
Washington, DC 20554

The Honorable Patrick H. Wood, III,
Chairman
Texas Public Utility Commission
1701 North Congress Ave.
Austin, TX 78701

Martha S. Hogerty
Missouri Office of Public Council
301 West High Street, Suite 250
Truman Building
Jefferson City, MO 65102

Charles Bolle
South Dakota Public Utilities Commission
State Capitol, 500 East Capitol Street
Pierre, SD 57501-5070

Deonne Bruning
Nebraska Public Service Commission
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, NE 68509-4927

James Casserly
Federal Communications Commission
Commissioner Ness's Office
1919 M Street, N.W., Room 832
Washington, DC 20554

Rowland Curry
Texas Public Utility Commission
1701 North Congress Avenue
P.O. Box 13326
Austin, TX 78701

Bridget Duff, State Staff Chair
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0866

Barry Payne
Indiana Office of the Consumer Counsel
100 North Senate Avenue, Room N501
Indianapolis, IN 46204-2208

James Bradford Ramsey
National Association of Regulatory Utility
Commissioners
1100 Pennsylvania Ave., N.W.
P.O. Box 684
Washington, DC 20044-0684

Lori Kenyon
Alaska Public Utilities Commission
1016 West Sixth Avenue, Suite 400
Anchorage, AK 99501

Mark Long
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0866

Sandra Makeeff
Iowa Utilities Board
Lucas State Office Building
Des Moines, IA 50319

Kevin Martin
Federal Communications Commission
Commissioner Furchtgott-Roth's Office
1919 M Street, N.W., Room 802
Washington, DC 20554

Brian Roberts
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Tiane Sommer
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334-5701

Sheryl Todd (plus 8 copies)
Federal Communications Commission
Accounting and Audits Division
Universal Service Branch
2100 M Street, N.W., Room 8611
Washington, D.C. 20554

Philip F. McClelland
Pennsylvania Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120